

Article - Insurance

14-404.

(a) [In] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IN accordance with this section, a dental plan organization shall have and maintain at all times a surplus equal to the greater of:

(1) \$50,000; or

(2) 2% of the organizations' annual gross premium income, up to a maximum of the required capital and surplus of a stock insurer under § 4-103 of this article.

(b) (1) Except as provided in subsection (d) of this section, a dental plan organization shall deposit with the Commissioner or with any organization or trustee acceptable to the Commissioner through which a custodial or controlled account is used, cash, securities, or any combination of these or other measures that is acceptable to the Commissioner in an amount equal to \$25,000 plus 25% of the surplus required in subsection (a) of this section, provided that the deposit shall not be required to exceed \$100,000.

(2) The deposit shall be:

(i) an admitted asset of the dental plan organization in the determination of surplus;

(ii) used to protect the interests of the dental plan organization's enrollees;

(iii) used to assure continuation of limited health care services to enrollees of a dental plan organization that is in rehabilitation or conservation; and

(iv) if a dental plan organization is placed in receivership or liquidation, an asset subject to provisions of the Uniform Insurers Liquidation Act.

(3) All income from deposits shall be an asset of the dental plan organization.

(4) A dental plan organization may withdraw a deposit or any part thereof after making a substitute deposit of equal amount and value.

(5) A substitute deposit of any securities is subject to the approval of the Commissioner.

(c) Except as provided in subsection (d) of this section, the Commissioner may reduce or eliminate the deposit requirement if the dental plan organization has made an acceptable deposit with the State or jurisdiction of domicile for the protection of all enrollees, wherever located, and delivers to the Commissioner a certificate to such effect, duly authenticated by the appropriate State official holding the deposit.